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**TESTIMONY OF
NATIONAL FEDERATION OF INDEPENDENT BUSINESS (NFIB)
OPPOSING
SB-312, AAC THE EXPANSION OF CONNECTICUT PAID SICK DAYS
LABOR & PUBLIC EMPLOYEES COMMITTEE
MARCH 8, 2022**

NFIB is the leading small business association in the nation with thousands of members in Connecticut representing a cross-section of the state's economy. For more than 75 years, NFIB has been advocating on behalf of America's small and independent business owners, both in Washington, D.C., and in all 50 state capitals. NFIB is nonprofit, nonpartisan, and member-driven. Since our founding in 1943, NFIB has been exclusively dedicated to small and independent businesses and remains so today. On behalf of those small- and independent- job-providers here in Connecticut, NFIB offers the following comments:

NFIB strongly opposes Senate Bill 312, which would unnecessarily and vastly expand Connecticut's mandated employer-paid sick leave law and apply it to all small businesses, regardless of size or industry. This would represent a dramatic policy shift at a time when small businesses are struggling just to maintain their operations, deal with historic staffing shortages and increasing inflationary pressures. Passage of this legislation would not only harm existing small and mid-sized business in Connecticut, but also discourage expansion and relocation of new businesses to the state at exactly the wrong time. Our small businesses cannot afford another well-intended but economically harmful mandate.

Furthermore, expanding employer-paid leave to all small employers ignores the facts that most small business owners already arrange for their employees to take time off as needed, whether for illness or for a family emergency; as well as the implications of the state's recently enacted paid family medical leave program. Most small-business owners already provide a great amount of flexibility and generosity in allowing their employees to take time off for family or medical purposes. NFIB surveys have continually indicated that a large majority of small business owners provide flexible hours when personal situations arise, regardless of the firm's size. Small business owners know their employees on a more personal level so there is often a lot less formality involved. Time-off issues are currently worked out in thousands of small and mid-sized businesses in the state every day without state government intervention.

Mandated employer-paid sick leave significantly impacts productivity and operations in small and mid-sized businesses and it is costly. Most small businesses do not have a Human Resource department or staff to manage the paperwork requirements needed to comply, and simply mandated employer offer such a benefit doesn't automatically mean they can manage or afford it. Prescribing specific employee benefits, like 5 days of paid sick leave, and the conditions and timing under which it accrues, restricts the flexibility of small employers to provide the wages and benefits that their employees want, and that the employer can afford. If small employers are required to pay for sick leave, there are fewer resources available for other optional benefits such as health insurance, retirement



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programs, or wage increases -- benefits that many would consider to have a more fundamental relationship to the workplace and that impact all workers. Particularly in small and mid-sized independent businesses, employees appreciate an employer that can tailor their benefits to their particular needs and desires.

Finally, NFIB should caution that proposals to mandate certain benefits, like paid leave for all small businesses, could complicate life for small employers and backfire on the employees. The changes contained in SB-312 will certainly require a lot more tracking, record keeping and compliance requirements on small businesses, which they are not currently subject to, and it could confuse and place restrictions on paid time off that do not exist now in many cases.

Therefore, NFIB urges no action on SB-312.

Thank you for the opportunity to comment and for your consideration of NFIB's concerns on behalf of small business. For any questions or additional information, please contact Andy Markowski, NFIB's State Director in Connecticut, at 860-248-NFIB.